

United States Senate

WASHINGTON, DC 20510

April 19, 2018

The Honorable Susan Collins
Chairman
Senate Committee on Appropriations
Subcommittee on Transportation,
Housing and Urban Development
184 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Jack Reed
Ranking Member
Senate Committee on Appropriations
Subcommittee on Transportation,
Housing and Urban Development
125 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Collins and Ranking Member Reed:

As you begin consideration of the Fiscal Year 2019 Transportation, Housing and Urban Development appropriations bill, we urge you to provide \$35 million for the U.S. Department of Transportation Maritime Administration (MARAD) Small Shipyard Grant Program. We applaud your commitment to this program that helps modernize the country's small shipyards and repair facilities, while spurring American manufacturing and supporting local economies.

Small shipyards on our nation's coasts and inland waterways are often considered the lifeblood of the maritime community. Across the nation, small shipyards build and maintain more than 40,000 commercial workboats in the U.S. flag fleet. Small shipyards maintain the workboat fleet to ensure maritime transport remains one of the safest and most energy-efficient forms of transportation for both passengers and products. In this way, small shipyards are essential in maintaining commerce in the United States and throughout the world. Small shipyards also build and maintain vessels critical to transportation safety, including Coast Guard ships, dredges, icebreakers, research and military vessels, as well as fire and rescue boats.

The Small Shipyard Grant Program generates incentives for small shipyards to modernize and repair facilities as well as make capital improvements to upgrade equipment and processes that make them more efficient and competitive in the global marketplace. The grants fund a variety of projects including infrastructure improvements, equipment upgrades, repairs, and reconfigurations. Grants may also be used to support employee training programs to promote technical skills, increasing workforce efficiency and productivity.

Additionally, small shipyard grants support American manufacturers and workers who provide equipment for shipbuilding, routine maintenance, and repair services. The program provides manufacturers with more opportunities to sell their products, and because Buy American provisions are applied to grant awards, the program has the crucial benefit of supporting American-made equipment and well-paying jobs.

In 2017, Congress passed the *National Defense Authorization Act for Fiscal Year 2018* (P.L. 115-91) reauthorizing this program for three years and increasing the annual authorization level to \$35 million. Competition for these grants shows a continued strong demand for Small Shipyard Grant Program funding. In Fiscal Year 2017, MARAD received 93 applications

requesting approximately \$127 million for the \$10 million in available funds. It is clear many shipyards would move forward with modernization projects, with the federal government as a partner, if strong funding for the grant program is made available in Fiscal Year 2019.


In addition, demand for services at small shipyards is expected to increase over the next several years as the U.S. Coast Guard's new "Subchapter M" regulations take effect, requiring shipyard visits for previously uninspected towing vessels. The Small Shipyard Grant Program can serve as an important tool to ensure that our shipyards have sufficient equipment and technology to keep up with this expected increased demand for services.

Strong funding for the Small Shipyard Grant Program is a win for America's small shipyards, equipment manufacturers, the workboat fleet and jobs in all of these industries. Thank you for your consideration.




Tammy Baldwin
United States Senator

Sincerely,



Bill Cassidy, M.D.
United States Senator



Maria Cantwell
United States Senator



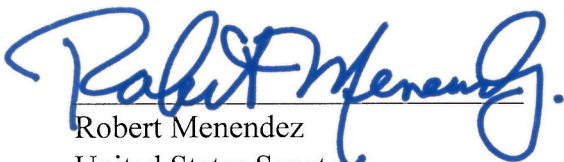
Mark R. Warner
United States Senator



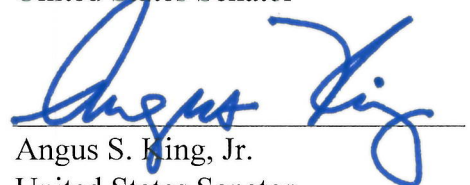
Richard Blumenthal
United States Senator



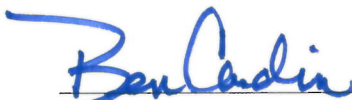
Sheldon Whitehouse
United States Senator



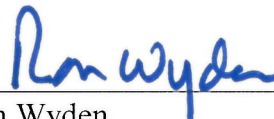
Robert Menendez
United States Senator



Angus S. King, Jr.
United States Senator



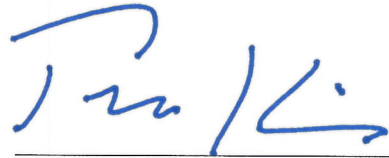
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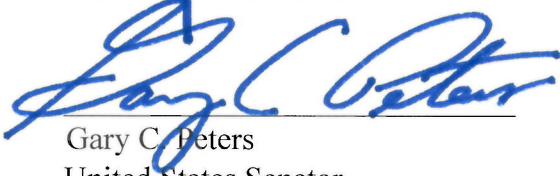
Ron Wyden
United States Senator



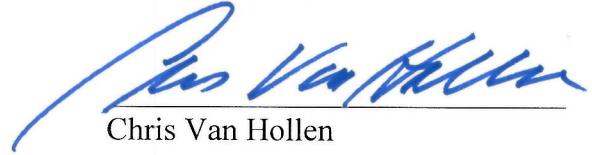
Elizabeth Warren
United States Senator



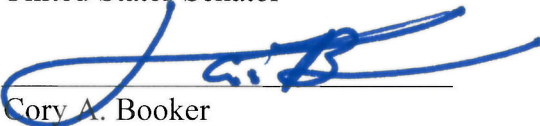
Tim Kaine
United States Senator



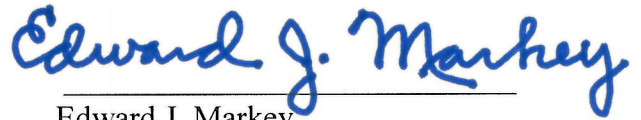
Gary C. Peters
United States Senator



Chris Van Hollen
United States Senator



Cory A. Booker
United States Senator



Edward J. Markey
United States Senator



Dan Sullivan
United States Senator